



COMMONWEALTH of VIRGINIA

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TO: Community Services Board and Local Government Department Executive Directors
and the Behavioral Health Authority Chief Executive Officer

FROM: Paul R. Gilding
Community Contracting Director

SUBJECT: FY 2015 and FY 2016 Community Services Performance Contract

DATE: May 9, 2014

Attached for your information and use are the FY 2015 and FY 2016 Community Services Performance Contract and the Partnership Agreement. The CSB Administrative Requirements, a separate document incorporated into the contract by reference, is also attached. These documents are available on the Department's web site at www.dbhds.virginia.gov/OCC-default.htm. The Department will distribute Letters of Notification and the Community Automated Reporting System (CARS) software electronically once the 2014 - 2016 biennium budget is enacted and signed. Letters of Notification contain initial allocations of state and federal funds to community services boards, the behavioral health authority, and the local government department with a policy-advisory CSB, all of which are referred to as CSBs in the contract documents and this memo.

The attached documents incorporate changes proposed in the FY 2015 and FY 2016 Performance Contract exposure drafts, distributed for public comment on December 31, 2013. The documents also reflect comments received during the 60-day public comment period required by § 37.2-508 of the Code of Virginia, the work of the Performance Contract Committee established by the Department and the Virginia Association of Community Services Boards, and comments from Department staff. The significant changes from the FY 2013 and FY 2014 Performance Contract are described below. Changes made in the FY 2015 and FY 2016 exposure drafts are written in the past tense, and changes made after the exposure drafts are written in the present tense.

Performance Contract Changes

1. Language is added to section 4.a on page 3 about notifying the Department when a CSB begins providing a new category or subcategory stops providing an existing category or subcategory of core services if the service is funded with more than 50 percent of state or federal funds or both. The language also requires a CSB operating a residential crisis stabilization program to notify the Department and receive its approval before the CSB increases or decreases the funded capacity (number of beds) of the program or closes it temporarily or permanently.

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2. New section 4.c.3.) on page 4 and new section 7.b.4.) on page 17 require CSBs and state hospitals to follow the *Medical Screening and Assessment Guidance*.
3. Language is added to section 4.c.6.) on page 5 that acknowledges legitimate reasons for a CSB to deny services to an individual but forbids a CSB from establishing or implementing policies that deny or limit access to services funded in part by state or local matching funds or federal block grant funds only because an individual is not able to pay for services, is not enrolled in Medicaid, or is involved with the criminal justice system.
4. New sections 4.c.8.) on page 5 and 7.b.7.) on page 17 require participation in the Virginia Psychiatric Bed Registry mandated by § 37.2-308.1, enacted by the 2014 General Assembly.
5. Language is added to section 4.c. 10.) on page 5 that requires CSBs to monitor the extraordinary barriers to discharge lists in state hospitals.
6. A new section 4.c.11.) on page 5 requires CSBs to provide information to the extent it is available to the CSB about and referral to the full range of available and appropriate services and supports for individuals with developmental disabilities other than intellectual disability and their family members who are seeking services and supports.
7. Language is added to section 4.e.2.) on page 6 that describes some of the responsibilities of CSB case managers under the DOJ Settlement Agreement.
8. Section 6.b.1.) on page 10 about Clinical Consultation was deleted and is replaced by language requiring the CSB to monitor its outcome and performance measures on the Department's CSB Performance Measures Data Dashboard, an ongoing Department initiative begun several years ago with CSBs, and identify and implement actions to improve its ranking on any measure on which it is below the benchmark.
9. Section 6.b.4.) d.) on page 11 about substance abuse youth surveys was replaced and sections 6.b.4.) e.) and g.) were added to reflect current substance abuse prevention practices. These changes were reviewed and approved by the VACSB Prevention Services Council.
10. Language was added to section 6.b.7.) on page 12 requiring CSBs to post complaint procedures in their public spaces and provide copies to the Department upon request, and additional language is added to allow CSBs to provide copies to individuals when they are admitted to services as an alternative to posting them.
11. Section 6.c.1.) d.) on page 13 that required CSBs to report Inventory of Mental Health Organizations information was deleted and new language is inserted requiring CSBs to follow the software user acceptance testing process in Appendix D of the CSB Administrative Requirements.
12. Section 6.c.2.) a.) on page 14 is revised to require CSBs that report unspent state funds of more than 20 percent in each of the previous two fiscal years in any program area to submit CARS reports quarterly rather than semi-annually. This will enable the Department to monitor expenditures in those CSBs more frequently and closely and work with those CSBs to ensure state funds are used to expand services and avoid such under expenditures in the future.
13. Sections 6.c.4.) on page 14 and 7.d.3.) on page 19 are revised to clarify the intent of those sections.

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14. Section 7.c.2.) on page 18 about Clinical Consultation was deleted and is replaced by language requiring the Department to develop a CSB Performance Measures Data Dashboard in collaboration with CSBs, post it on the Department's web site, and work with the CSB to identify and implement actions to improve the CSB's ranking on any measure on which it is below the benchmark.
15. Section 7.d.2.) on page 19 adds new language requiring the Department to follow the software user acceptance testing process in Appendix D of the CSB Administrative Requirements.
16. Section 10.d on page 25 about individual consumer satisfaction surveys was deleted.
17. Pages 28 (AF-3) and 29 (AF-4) in Exhibit A are revised to a.) change Acute Care (LIPOS) and DAP funds from earmarked to restricted funds, which requires reporting expenditures linked to those funds, b.) allow each of those funds to be spent for the other purpose in certain situations approved by the Department, c.) reflect the merger of individual CSB state DAP funds into regional state DAP allocations, and d.) add lines for the new state FY 2014 DAP funds.
18. Page 31 (AF-6) was revised to delete DV Crisis Stabilization Transfer In/(Out) and DV Trust Fund and is revised to add DV Rental Subsidies and DV Crisis Stabilization for Children.
19. Forms 11, 21, 31, and 01 on pages 36 (AP-1) through 39 (AP-4) are revised to reinstitute displaying service capacities in the contract and the capacity and costs columns are labeled as projected capacities and projected costs.
20. Sections IV.A and B on page 42 are revised to reflect requirements in State Board Policy 1044 on Employment First, including requiring the CSB to ensure its case managers discuss integrated, community-based employment services at least annually with employment age (18-64) adults currently receiving services from the CSB and including employment-related goals in individualized services and supports plans if these adults want to work.
21. Section V on page 43 was revised to reinstitute a measure requiring the CSB to collect in a two-week sample each quarter the time within which the preadmission screening evaluator is available when an immediate face-to-face intervention by a certified preadmission screening evaluator is appropriate to determine the need for involuntary hospitalization.
22. Section V on page 43 is revised to add two measures requiring the CSB to monitor and report quarterly on a.) the percentage of employment age adults (18-64) in the DOJ Settlement Agreement target population receiving case management services from the CSB whose case managers discussed integrated, community-based employment with them during their annual individualized services and supports plan reviews and b.) the percentage whose individualized services and supports plans included employment-related goals.
23. Section VII on page 44 is revised to require the CSB to use the CSB Performance Measures Data Dashboard developed by the Department to improve its performance on these measures and to list the measures.
24. The FY 2015 Exhibit B Quarterly Performance Measures Report on page 45 is revised to include the three measures in 21 and 22 above.
25. Exhibit C on pages 46 and 47 is revised to reflect changes in the DAP program, including the merger of individual CSB state DAP fund allocations into regional state DAP fund allocations.

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26. Exhibit E on pages 49 - 54 is revised to require submission of quarterly Exhibit B Performance Measure Reports and, if required, 1st and 3rd quarter CARS Reports as conditions of continued semi-monthly disbursements of state and federal funds.
27. Exhibit I on pages 60 and 61 is revised to insert a small one-time state funding reduction linked to specific non-compliance with requirements in the exhibit. Performance contracts contained a similar provision for 10 years (FY 1997 - FY 2007). Then, the Department used it only once to eliminate late submissions of CARS end of the fiscal year reports. This revision addresses perceived needs for increased CSB accountability.

Partnership Agreement Change

28. Section 9 on page 11 is revised to change the System Leadership Council meeting frequency from quarterly to as needed.

CSB Administrative Requirements Changes

29. Section II.A.5 on pages 6 and 7 is revised to clarify that when the executive director position becomes vacant, the CSB submits its job description, position advertisement, and salary range to the Department before advertising the vacancy, and the CSB submits the selected candidate's application and resume and proposed salary to the Department before employing the new executive director.
30. Section II.A.10.b.) 7.) is added on page 13 to clarify emergency services performance expectations.
31. Section III.A.3 that had been on pages 15 through 19 about the Department accepting CARF accreditation for certain outpatient and day support licensing requirements is deleted. This provision applied to relatively few CSBs and had not been used for several years.
32. Section II.A.4 on page 20 in Appendix A: Continuity of Care Procedures is added to address CSB medical screening and assessment responsibilities as part of the preadmission screening requirements.
33. Appendix D is added on page 38 to establish the User Acceptance Testing Process for software applications. The VACSB Data Management Committee reviewed and approved this process.

Given the complexity of bills enacted by the 2014 General Assembly that will affect CSBs and the deliberations of the SJ 47 legislative study commission and the Governor's Mental Health Task Force, contract amendments may be necessary after the start of the contract term. If amendments are needed, the Department will negotiate them through the Performance Contract Committee established by the Department and the Virginia Association of Community Services Boards.

Once the 2014 - 2016 biennium budget is enacted by the General Assembly and signed by the Governor and the Department distributes the CARS software and Letters of Notification, CSBs will submit all of the contract's Exhibit A electronically using the CARS software. More detailed information about which parts of the contract must be submitted on paper is contained in Exhibit E. The CARS software contains Table 2: FY 2013 CSB Management Salary Costs, which enables CSBs and the Department to respond to requirements in § 37.2-504 of the Code of Virginia.

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This table also collects FTE information by program area and for emergency and ancillary services, including numbers of peer providers. Peer providers are staff who self-identify as individuals receiving services and have been hired specifically as peer providers. Staff not hired as peer providers, even if they have a mental health or substance use disorder or intellectual disability, should not be reported as peer providers.

To be accepted for processing by the Department, a performance contract must satisfy the requirements and criteria in Exhibits E and I of the contract.

1. Exhibit A, Exhibit H, and Table 2 must be submitted to the Department's Office of Information Services and Technology using CARS software and must be complete and accurate.
2. Since the contract is being distributed electronically, the parts of the contract that are submitted on paper should be printed, signed where necessary, and mailed to the Office of Community Contracting at the same time Exhibits A and H are submitted. These parts are: signature page of the contract body (page 25), signature page of Exhibit B, Exhibit D (if applicable), Exhibit F (two pages), Exhibit G, and Exhibit J (if applicable). The Department must receive all parts of the contract submitted on paper before a contract submission will be considered complete.
3. Exhibit A must conform to the allocations of state and federal funds in the Letter of Notification enclosures, unless amounts have been revised by or changes negotiated with the Department and confirmed by the Department in writing. Total revenues in each program area (pages AF-1 through AF-8) must equal total costs shown on Forms 11, 21, 31, and 01 or differences must be explained on the Financial Comments form.
4. Contracts must contain actual appropriated amounts of local matching funds. If a CSB cannot include the minimum 10 percent local matching funds in its contract, it must submit a written request for a waiver of the matching funds requirement, pursuant to § 37.2-509 of the Code of Virginia and State Board Policy 4010, to the Office of Community Contracting with its contract. More information about the waiver request is contained in an attachment to this memo.

The FY 2015 and FY 2016 contract and other materials described above are due in the Department's Office of Community Contracting by June 23, 2014, except for Exhibits A and H, which are submitted to the Department's Office of Information Services and Technology by the same date. The June 23 due date may need to be changed to a later date depending on when the 2014 - 2016 biennium budget is enacted and signed. More detailed information about submitting Exhibits A and H in CARS will be provided in a performance contract workshop that will be conducted by Department staff after the CARS software and Letters of Notification are distributed to CSBs once the budget is adopted. If necessary, the Department will adjust the contract due date and processing dates and distribute this information with the CARS software.

Section 37.2-508 or 37.2-608 of the Code of Virginia requires the CSB or behavioral health authority to make its proposed performance contract available for public review and solicit public comment for a period of 30 days before submitting it for the approval of the operating or administrative policy CSB or behavioral health authority board of directors or the comments of the local government department's policy-advisory CSB. The same Code section authorizes the Department to provide up to six semi-monthly payments of state and federal funds to allow

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sufficient time to complete public review and comment, local government approval, and Department negotiation and approval of the contract. The Performance Contract Process (Exhibit E) automatically provides the first two semi-monthly July payments to all CSBs, whether or not a contract has been submitted. The Process conditions the next four semi-monthly payments (two in August and two in September) on the Department's receipt of a complete performance contract. However, all payments are contingent on a 2014 - 2016 biennium budget that has been enacted by the General Assembly and signed by the Governor.

Once a performance contract is received in the Department, the Community Contracting Administrator will review it and notify the CSB within five working days that it is or is not accepted for review by the Department. Unacceptable contracts will need to be revised before the Department will process them. If CSBs have any questions about this memo or the contract documents, please e-mail or call Joel Rothenberg, the Community Contracting Administrator, at joel.rothenberg@dbhds.virginia.gov or (804) 786-6089 or me at paul.gilding@dbhds.virginia.gov or (804) 786-4982. Thank you.

Enclosures (4)

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Minimum Ten Percent Local Matching Funds Waiver Request Attachment

A CSB should maintain its local matching funds at least at the same level as that shown in its FY 2014 performance contract. The 2014 Appropriation Act prohibits using state funds to supplant local governmental funding for existing services. If a CSB is not able to include at least the minimum 10 percent local matching funds required by § 37.2-509 of the Code of Virginia and State Board Policy 4010 in its performance contract or its end of the fiscal year performance contract report, it must submit a written request for a waiver of that requirement, pursuant to that Code section and policy, to the Office of Community Contracting with the contract or report.

In accordance with sections 7.e and g of the Community Services Performance Contract, if only a CSB's participation in the Discharge Assistance Project (DAP), its receipt of state facility reinvestment project funds, or its participation in a regional program, as defined in the Regional Program Operating Principles in Core Services Taxonomy 7.2, causes it to be out of compliance with the 10 percent local matching funds requirement in § 37.2-509, the Department will grant an automatic waiver of that requirement, related to the funds for the DAP, reinvestment project, or regional program. The CSB must submit a written request for the waiver, identifying the specific amounts and types of those funds that cause it to be out of compliance with the local matching funds requirement, but without the documentation required below in items 3, 4, and 5, and the Department will approve an automatic waiver in a letter to the CSB.

1. State Board Policy 4010 defines acceptable local matching funds as local government appropriations, philanthropic cash contributions from organizations and people, in-kind contributions of space, equipment, or professional services for which the CSB would otherwise have to pay, and, in certain circumstances, interest revenue. All other revenues, including fees, federal grants, and other funds, and uncompensated volunteer services are not acceptable .
2. Section 37.2-509 of the Code of Virginia states that allocations of state funds to any CSB for operating expenses, including salaries and other costs, shall not exceed 90 percent of the total amount of state and local matching funds provided for these expenses. This section effectively defines the 10 percent minimum amount of local matching funds as 10 percent of the total amount of state and local matching funds.
3. The written waiver request must include an explanation of each local government's inability to provide sufficient local matching funds at this time. This written explanation could include, among other circumstances, the following factors:
 - a. an unusually high unemployment rate compared with the statewide or regional average unemployment rate,
 - b. a decreasing tax base or declining tax revenues,
 - c. the existence of local government budget deficits, or
 - d. major unanticipated local government capital or operating expenditures (e.g., for flood damage).
4. Additionally, the waiver request must include information and documentation about the CSB's efforts to obtain sufficient local matching funds. Examples of such efforts could include newspaper articles, letters from CSB members to local governing bodies outlining statutory matching funds requirements, and CSB resolutions.
5. Finally, the waiver request must include a copy of the CSB's budget request that was submitted to each local government and a copy or description of the local government's response to it.